



Fiscal Year 2013- 2014 First Quarter Financial Status Report

County of San Luis Obispo

Introduction

In accordance with the Board's adopted policy related to ongoing budget administration, this First Quarter Financial Report provides an overview of the County's financial position at the end of the first quarter of Fiscal Year 2013-14. The first quarter timeframe is July 1, 2013 through September 30, 2013.

The report is divided into five sections:

- **Section 1** - an overview of the County's financial position at the end of the first quarter of FY 2013-14, as well as brief summaries of noteworthy departmental fiscal and operational issues;
- **Section 2** - an update on the Status of Funds, Contingencies and Reserves;
- **Section 3** - a listing of all personnel changes approved by the Board of Supervisors during the first quarter;
- **Section 4** - miscellaneous financial items for the Board's consideration, such as requests from departments for acceptance of gift funds and donations, discharge of bad debt, various budget adjustments and surplus of aged Fleet vehicles;
- **Section 5** - an update on the capital improvement and maintenance projects managed by the General Services Agency and Public Works Department (See Attachment #3).

Board Policy: Ongoing Budget Administration

It shall be the responsibility of the County Administrative Officer to submit Quarterly Financial Status Reports to the Board of Supervisors. These reports shall provide a projection of expenditures and revenues, identifying projected variances. They may also include recommendations and proposed corrective actions which may include mid-year reductions.

Section 1: Overview of Financial Position

As shown on the chart below, expenditure and revenue patterns for the first quarter are similar to those from the first quarter of FY 2012-13. The revenue realization rates shown in the tables below are typical for the first quarter due to the time lag involved in billing cycles and receipt of reimbursements, and because some of the largest revenue sources, property taxes for example, are historically realized closer to the end of the fiscal year. As noted in Section 2 of this report, the increased rate in revenue realized in the first quarter of this year is a result of higher sales tax revenue generated by construction of two large solar plants in the county as well as a 65% increase in building permits issued as compared to the same time in the prior year. The variance is also a result of a difference in the timing of realizing certain revenue sources.

The following table compares the current year and prior year first quarter expenditures and revenues for All Funds and the General Fund.

Expense & Revenue All Funds Comparison		
	First Quarter FY 2012-13	First Quarter 2013-14
Expenditures	19%	19%
Revenue Realized	9%	11%
Expense & Revenue General Fund Comparison		
	First Quarter FY 2012-13	First Quarter 2013-14
Expenditures	20%	20%
Revenue Realized	8%	10%

Based on the evaluation of the financial information provided by departments for the first quarter, almost all departments report that they anticipate remaining within their budgeted General Fund level for the year. The one exception is County Counsel due to the need to hire outside counsel for certain litigation matters as noted below. In addition, an update to the Airport budget and enplanement levels is provided per Board direction.

Department: County Counsel
Fund Center(s): 111
Issue: Unbudgeted expenditures for outside counsel
Impact to General Fund: \$21,000

County Counsel is requesting a budget adjustment from General Fund contingencies in the amount of \$21,000 to cover anticipated expenditures for outside counsel. Of the

total request, \$15,000 will be used for the Sani and Welsh CalTrans litigation and \$6,000 will be used for continuing services of the Loeb & Loeb firm regarding the Los Osos Landfill matter. These expenses were not anticipated at the time the budget for FY 2013-14 was prepared. The use outside counsel for both of these litigation matters was previously approved by your Board in closed session. A memo from the department is included in Attachment 2.

<p>Department: Airports Fund Center(s): 425 Issue: Budget status and enplanement Levels Potential Impact to General Fund: \$0</p>

As an Enterprise Fund, Airport Services relies on the revenues generated by the Airport to fund its operational and capital expense. Revenue from passenger enplanements on commercial air carriers is a key indicator of the Airports fiscal health and outlook. The Quarterly Fiscal Report includes a regular update on the status of the County Airport Services budget with emphasis on the number of passenger enplanements.

Changes to air carrier service that began in 2007 with rising fuel prices were exacerbated by the great recession of 2008. Many airports, including San Luis Obispo, experienced reductions in the number of commercial flights and an overall decline in enplanements. Since that time, the annual expenditures for Airport operations have largely exceeded the amount of annual revenues received by the Airport, with the exception of FY 2012-13. The Airport has relied on its unallocated cash balance in the Airport Fund to cover expenses.

As of the end of the first quarter, Airports is reporting improved parking fee revenues due to a new contract with MINDBODY for employee parking, and savings in salary expenditures. The FY 2013-14 Adopted Budget included the planned use of \$292,924 of cash balance. Due to increased revenues and decreased expense, the Airport anticipates using only \$137,902 of its budgeted cash balance—a reduction of approximately \$155,022 compared to budget.

The number of commercial air service passenger enplanements is a major driver of Airport revenues. During the first quarter of FY 2013-14, enplanement levels at the San Luis Obispo Regional Airport increased by 1,296 or 3.7%, compared to the same time in the prior fiscal year.

The table below compares enplanement levels by quarter from FY 2007-08 through the first quarter of this fiscal year.

Enplanements	Q1	Q2	Q3	Q4	Cumulative	% Change
<i>2007/08</i>	51,343	48,784	38,794	43,364	182,285	
<i>2008/09</i>	42,697	32,566	26,866	30,619	132,748	-27%
<i>2009/10</i>	32,968	30,873	27,645	33,666	125,152	-6%
<i>2010/11</i>	36,301	36,128	30,496	36,984	139,909	12%
<i>2011/12</i>	35,631	34,493	30,185	33,935	134,244	-4%
<i>2012/13</i>	35,457	31,850	30,354	34,654	132,315	-1%
<i>2013/14</i>	36,753					3.7%*

* Compares the first quarter of FY 2013-14 to the first quarter of FY 2012-13.

The first quarter fiscal report for the Airport points to some improvement in the Airport's fiscal status. The successful recruitment of new and/or expanded commercial air service at the Airport will have a significant positive impact on Airport finances. As reported to the Board on November 5th, staff has worked closely with an air service consultant and the business community to successfully develop a revenue guarantee program totaling \$1.75 million to encourage United Airlines to expand its service out of San Luis Obispo by adding a non-stop flight to Denver. The impact of this program, and the overall financial status of the Airport will continue to be reported on in future quarterly reports.

Section 2: Status of Funds, Contingencies and Reserves

I. GENERAL:

The Auditor-Controller's Office has prepared the following Schedules that are attached following this narrative.

Schedule 1: Comparative Statement of County Funds - Revenue Status

Schedule 2: Comparative Statement of Contingencies and Reserves

Schedule 3: Revenues and Expenditures by Functional Area

Schedules 1 and 2 are the focus of the following discussion. Generally, comments are limited to material deviations from the prior year or from what would appear to be normal performance. Schedule 3 is for information only.

II. SCHEDULE 1: Comparative Statement of County Funds - Revenue Status

A. Summary

Total budgeted revenues for all funds are \$512.7 million. At the end of the first quarter \$55.8 million or 11% of estimated revenues were realized, compared to 9% in the prior year. Taxes and government aid do not follow even monthly flows.

B. Specific Comments - Revenue Status by Type

Taxes-Current Property: Collections of property tax revenue were 2% at the end of the first quarter which is consistent with the prior year's realization rate.

Taxes- Other than Current Property: At the end of the first quarter 13% of estimated revenue was realized, compared to 11% in the prior year. Included in this revenue classification are Transient Occupancy Tax (Bed Tax), Property Transfer Tax, Property Tax In-Lieu of Sales Tax and Property Taxes In-Lieu of Vehicle License Fees. This is mainly due to an increase in sales tax revenue generated by construction of solar plants in the County. Transient Occupancy Fees collections are \$364,000 less than prior year.

Licenses and Permits: The amount realized is 24% of estimates which is consistent with last year's realization rate. Revenue sources in this class include Franchise Fees, Plan Check Fees, Building Permits, and Land use Permits. Plan Check Fees increased by \$325,000 and Building Permit revenue increased by \$196,000 over the same period last year. This is due to a substantial increase in single family residential building permits and an accelerated construction schedule for one of the solar projects in California Valley. Land Use Permits decreased by \$172,000 compared to the same period last year. Last year's results included a retroactive and cumulative fee change for one of the solar projects.

Fines, Forfeitures and Penalties: The amount realized is 13% compared to last year's realization rate of 9%. This is due to a timing difference in recognizing revenue transferred in for Penalty Assessments that are used for paying debt service on the 2007 Certificates of Participation.

Revenue – Money and Property Use: Realized revenue in this class is 20% compared to the 22% realization rate in the prior year. Total interest revenue earned by the General Fund was \$40,337 compared to \$64,450 in the same quarter prior year. The average rate of return during the first quarter was 0.1861% compared to 0.3424% in the prior year.

Aid from Government Agencies: The amount realized is 10%, compared to 9% for the prior year. Aid from government agencies does not follow even monthly revenue flows but catches up in the third and fourth quarters. There are a number of variances from the prior year including the timing of transfers and accrual reversals.

Charges for Current Services: The amount realized is 20%, compared to 17% in the prior year.

Other Revenues: The amount realized is 16%, consistent with the amount realized in the prior year.

Other Financing Sources: The amount realized for this quarter was 24% compared to 15% in the prior year. This is due to onetime transfers from the General Fund to the Capital Projects Fund.

C. Specific Comments - Revenue by Fund

General Fund: The General Fund realized 10% of estimated revenue as of the end of the first quarter, compared to 8% in the prior year.

Capital Projects Fund: This fund recognized 23% of revenues through the first quarter compared to 0% in the prior year. This is mainly a timing issue as revenue is recognized as projects progress. Also, there was a large onetime transfer in from the General Fund in the amount of \$2.6 million based on Board approved final budget actions to allocate additional Fund Balance Available to the designations for the Women's jail and Juvenile Hall projects.

Road Fund: The Road Fund realized 9% of estimated revenue in the period compared to 11% in the prior year.

Community Development Program Fund: This fund's revenue through the first quarter was 6% in the current year to date compared to 3% in the prior year. The difference from the prior year is one of timing as this revenue is realized as projects are completed.

Public Facility Fees: Public Facility Fee Fund realized 65% of revenue in the current fiscal year, compared to 43% in the prior year. This increase is also a result of an increase in single family residential building permits.

Debt Service Fund: Current year realized was 17% compared to 52% in the prior year. This is a timing difference due to the refunding of the 2002 Certificates of Participation by the 2012 Revenue Refunding Bonds. The payments on the new bonds are due in a different month than the old issue. Revenue to pay the bonds is transferred in when the debt payments are made.

SCHEDULE 2: Comparative Statement of Contingencies and Reserves

A. Contingencies

There were no reductions to Contingencies in the First Quarter. The General Fund contingency balance at the end of the quarter was \$15,551,002.

B. General Reserves

The Government Code provides that General Reserves may not be used during the operating year unless the Board of Supervisors deems that there is a state of emergency. Since no emergency has existed to date, all balances of reserves are as adopted.

C. Designations and Other Reserves

The Board of Supervisors may choose to designate portions of available funding for a specific future purpose. Such designations reflect tentative plans, which are subject to change. It is this flexibility that distinguishes designations from reserves.

\$1,986,400 CAPITAL PROJECTS FUND: This amount was transferred back to the designation as a result of a settlement received for construction defects in the new Government Center.

\$153,600 GENERAL GOVERNMENT BUILDING REPLACEMENT FUND: This amount was transferred back to the designation as a result of a settlement received for construction defects in the new Government Center.

(\$2,520) LIBRARY FUND: To increase appropriations for the Atascadero Library Expansion Project.

III. Schedule of Appropriation Transfers under the Auditor's Authority

By resolution the Board of Supervisors authorized the Auditor-Controller to approve appropriation transfers between all object levels within the same budget unit. The resolution also directed that such transfers be reported to the Board on a quarterly basis.

There were no transfers between object levels under the Auditor's Authority during the first quarter of FY 2013-2014.

Schedule 1

COMPARATIVE STATEMENT OF COUNTY FUNDS- REVENUE STATUS
For the Three Month Period Ended September 30, 2013 and 2012

Revenue Status by Class	2013-14			2012-13		
	Amount Budgeted	Amount Realized 09/30/13	%	Amount Budgeted	Amount Realized 09/30/12	%
TAXES - CURRENT PROPERTY	\$ 102,935,483	\$ 2,554,523	2 %	\$ 100,326,410	\$ 2,419,141	2 %
TAXES - OTHER THAN CURRENT PROPERTY	51,020,528	6,432,136	13 %	49,789,724	5,701,165	11 %
LICENSES AND PERMITS	9,641,212	2,356,463	24 %	8,222,766	1,996,636	24 %
FINES, FORFEITURES AND PENALTIES	5,951,870	753,875	13 %	5,297,541	478,714	9 %
REVENUE - MONEY AND PROPERTY USE	772,833	154,267 *	20 %	830,650	185,231	22 %
AID FROM GOVERNMENT AGENCIES	245,613,421	24,335,188	10 %	236,339,150	20,760,816	9 %
CHARGES FOR CURRENT SERVICES	29,303,884	5,755,598	20 %	30,091,946	5,199,288	17 %
OTHER REVENUES	32,879,029	5,139,093	16 %	29,189,091	4,730,369	16 %
OTHER FINANCING SOURCES	34,617,210	8,328,527	24 %	39,345,616	5,849,029	15 %
TOTAL REVENUES	\$ 512,735,470	\$ 55,809,670	11 %	\$ 499,432,894	\$ 47,320,389	9 %

Revenue Status by Fund	2013-14			2012-13		
	Amount Budgeted	Amount Realized 09/30/13	%	Amount Budgeted	Amount Realized 09/30/12	%
1000000000 General Fund	\$ 393,357,582	\$ 38,610,146 *	10 %	\$ 381,690,598	\$ 32,137,405	8 %
1100000000 Capital Projects	12,307,359	2,874,934 *	23 %	11,480,134	22,617	0 %
1200000000 Road Fund	41,256,104	3,770,732	9 %	48,397,171	5,460,594	11 %
1200500000 Community Devel Pgm	10,018,026	585,482	6 %	10,043,593	340,722	3 %
1201000000 Public Facility Fees	864,500	565,578	65 %	675,742	287,666	43 %
1201500000 Parks	8,921,371	2,377,433	27 %	8,917,406	2,507,816	28 %
1202000000 Co-Wide Automation Replacement	6,457,018	497,303	8 %	7,547,147	559,455	7 %
1202500000 Gen Gov Building Replacement	5,300,724	1,325,181	25 %	2,732,613	683,153	25 %
1203000000 Tax Reduction Resrv	1,399,033	349,758	25 %	0	0	%
1203500000 Impact Fee-Traffic	2,616,312	215,348	8 %	1,753,500	127,496	7 %
1204000000 Wildlife And Grazing	3,500	0	0 %	3,500	0	0 %
1204500000 Driving Under the Influence	1,402,463	330,515	24 %	1,373,406	342,376	25 %
1205000000 Library	10,356,734	487,503	5 %	7,872,819	393,049	5 %
1205500000 Fish And Game	20,000	4,976	25 %	20,000	3,861	19 %
1206000000 Organizational Development	458,000	112,500	25 %	460,000	112,500	24 %
1206500000 County Med Svcs Prog	5,102,096	1,016,596	20 %	5,095,977	1,083,216	21 %
1207000000 Emergency Med Svcs	801,000	124,343	16 %	801,000	141,588	18 %
1208000000 Debt Service-Cert of Participation	2,079,022	359,431	17 %	2,256,488	1,179,442	52 %
1801000000 Pension Obligation Bond DSF	10,014,626	2,201,911	22 %	8,311,800	1,937,433	23 %
TOTAL REVENUES	\$ 512,735,470	\$ 55,809,670	11 %	\$ 499,432,894	\$ 47,320,389	9 %

*Includes first quarter interest:

General Fund: \$40,337

Capital Projects: \$10,315

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES
By Fund as of September 30, 2013

Contingencies	2012-13 Final Budget	2013-14 Final Budget	As of 09/30/13	2013-14 Increase (Decrease)
General Fund	\$ 15,043,207	\$ 15,551,002	\$ 15,551,002	\$ 0
Community Devel Pgm	65,685	37,167	37,167	0
Parks	505,357	550,113	550,113	0
Driving Under the Influence	79,341	123,502	123,502	0
Library	258,395	424,297	424,297	0
TOTAL CONTINGENCIES	\$ 15,951,985	\$ 16,686,081	\$ 16,686,081	\$ 0

Designations and Other Reserves	2012-13 Final Budget	2013-14 Final Budget	As of 09/30/13	2013-14 Increase (Decrease)
General Fund				
Co. Fire Equip. Replace	\$ 966,922	\$ 113,765	\$ 113,765	\$ 0
Designated FB-2020 POB	4,688,657	7,188,657	7,188,657	0
General Reserve	8,000,000	9,000,000	9,000,000	0
Internal Financing	4,186,511	3,918,103	3,918,103	0
Solar Plant Mitigation	487,165	8,078,258	8,078,258	0
Willow Rd Interchange	967	967	967	0
Capital Projects				
Detention Facilities	5,067,883	4,864,343	4,864,343	0
Facilities Planning	6,335,134	8,946,716	8,946,716	0
Juvenile Hall Bldg	1,732,000	1,361,600	1,361,600	0
LO Landfill Closure	152,732	0	0	0
Solar/Energy Projects	1,199,787	1,199,787	1,199,787	0
New Government Center Repairs	0	0	1,986,400	1,986,400
Road Fund				
Future Road Projects	3,826,718	3,428,693	3,428,693	0
Maria Vista Estates	0	641,299	641,299	0
N. River Mine Reserve	83,000	83,000	83,000	0
Public Facility Fees				
Reserve for County Fire	2,080,515	1,764,911	1,764,911	0
Reserve for General Gov't	498,073	216,148	216,148	0
Reserve for Law Enforcmnt	1,152,563	793,299	793,299	0
Reserve for Library	95,911	110,804	110,804	0
Reserve for Parks	1,854,516	2,798,990	2,798,990	0
Parks				
Lopez Park's Projects	70,000	250,000	250,000	0
Parks Projects	837,768	1,441,587	1,441,587	0
Co-Wide Automation Replacement				
Automation Replacement	10,467,113	10,840,251	10,840,251	0
Budget System Developm	770,274	770,274	770,274	0
Gen Gov Building Replacement				
Gov. Building Rpl	13,376,808	18,687,751	18,841,351	153,600
Library - Cambria	339,980	501,876	501,876	0

COMPARATIVE STATEMENT OF CONTINGENCIES AND RESERVES
By Fund as of September 30, 2013

Tax Reduction Resrv				
Desig-Prop Tax Litigation	797,952	797,952	797,952	0
Tax Reduction Reserves	11,397,138	12,839,606	12,839,606	0
Impact Fee-Traffic				
Improvement Fees	4,873,859	4,865,812	4,865,812	0
Wildlife And Grazing				
General Reserve	377	377	377	0
Wildlife Projects	11,535	14,907	14,907	0
Driving Under the Influence				
General Reserve	200,459	194,859	194,859	0
Systems Development	419,265	419,265	419,265	0
Library				
Atascadero Building Expan	105,131	105,131	102,611	(2,520)
Facilities Planning	777,510	777,510	777,510	0
General Reserve	49,690	49,690	49,690	0
Fish And Game				
Environmental Settlemt	18,862	23,142	23,142	0
Fish and Game Projects	101,890	105,851	105,851	0
General Reserve	54,583	54,583	54,583	0
Organizational Development				
Countywide Training	1,479,776	1,479,776	1,479,776	0
General Reserve	446,510	565,946	565,946	0
Debt Service-Cert of Participation				
Loan Payment Reserve	16,373	16,373	16,373	0
Pension Obligation Bond DSF				
Desig - POB Debt Service	6,740,895	8,207,937	8,207,937	0
TOTAL DESIGNATIONS AND RESERVES	<u>\$ 95,762,802</u>	<u>\$ 117,519,795</u>	<u>\$ 119,657,275</u>	<u>\$ 2,137,480</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Three Month Period Ended September 30, 2013

Budget Units by Functional Area	2013-14 Budgeted Expenditures	Amount Expended 09/30/13	%	2013-14 Budgeted Revenues	Amount Realized 09/30/13	%
General Government						
100 BOARD OF SUPERVISORS	\$ 1,723,756	\$ 307,864	18 %	\$ 0	\$ 0	0 %
101 NON-DEPARTMENTAL REVENUES	5	0	0 %	149,502,921	9,426,623	6 %
104 ADMINISTRATIVE OFFICE	1,727,657	332,235	19 %	29,229	7,307	25 %
105 RISK MANAGEMENT	1,581,718	648,812	41 %	982,095	305,441	31 %
107 AUDITOR-CONTROLLER	5,251,693	966,849	18 %	1,152,325	181,151	16 %
108 TREAS-TAX COLL-PUBLIC ADM	3,173,941	624,738	20 %	1,492,447	342,047	23 %
109 ASSESSOR	9,199,859	1,709,301	19 %	648,829	53,772	8 %
110 CLERK/RECORDER	3,061,042	609,250	20 %	2,302,320	562,228	24 %
111 COUNTY COUNSEL	3,767,798	786,645	21 %	364,584	24,132	7 %
112 HUMAN RESOURCES	2,761,999	500,041	18 %	201,546	53,232	26 %
113 GENERAL SERVICES	9,677,216	2,072,724	21 %	3,483,053	774,796	22 %
114 INFORMATION TECHNOLOGY DEPARTMENT	10,177,768	2,445,340	24 %	1,802,062	456,910	25 %
201 PUBLIC WORKS SPECIAL SERVICES	2,637,132	452,068	17 %	1,137,043	206,025	18 %
266 COUNTYWIDE AUTOMATION REPLACEMENT	7,514,755	306,710	4 %	6,457,018	497,303	8 %
267 GEN GOVT BUILDING REPLACEMENT	1,284,603	0	0 %	5,300,724	1,325,181	25 %
268 TAX REDUCTION RESERVE	3,149,656	251	0 %	1,399,033	349,758	25 %
275 ORGANIZATIONAL DEVELOPMENT	538,441	74,473	14 %	458,000	112,500	25 %
290 COMMUNITY DEVELOPMENT PROGRAM	10,018,026	549,318	5 %	10,018,026	585,482	6 %
TOTAL General Government	<u>\$ 77,247,065</u>	<u>\$ 12,386,619</u>	<u>16 %</u>	<u>\$ 186,731,255</u>	<u>\$ 15,263,888</u>	<u>8 %</u>
Public Protection						
130 WASTE MANAGEMNT	\$ 975,547	\$ 148,406	15 %	\$ 29,967	\$ 183	1 %
131 GRAND JURY	138,049	42,232	31 %	0	0	0 %
132 DISTRICT ATTORNEY	14,966,631	2,879,593	19 %	6,359,180	1,112,933	18 %
134 CHILD SUPPORT SERVICES	4,676,116	998,749	21 %	4,676,116	655,303	14 %
135 PUBLIC DEFENDER	5,660,548	1,404,135	25 %	578,010	137,964	24 %
136 SHERIFF-CORONER	62,994,776	13,534,631	21 %	25,054,523	4,665,348	19 %
137 ANIMAL SERVICES	2,477,049	556,414	22 %	1,989,276	424,628	21 %
138 EMERGENCY SERVICES	1,680,101	347,479	21 %	1,524,638	6,355	0 %
139 PROBATION DEPARTMENT	19,035,994	3,886,066	20 %	10,045,684	1,281,251	13 %
140 COUNTY FIRE	20,143,607	880,162	4 %	6,163,361	1,395,328	23 %
141 AGRICULTURAL COMMISSIONER	5,256,202	1,111,330	21 %	3,182,605	531,507	17 %
142 PLANNING & BUILDING DEPARTMENT	14,430,437	2,489,364	17 %	7,907,395	2,053,553	26 %
143 COURT OPERATIONS	2,284,014	703,474	31 %	2,755,600	308,883	11 %
330 WILDLIFE AND GRAZING	3,509	6	0 %	3,500	0	0 %
331 FISH AND GAME	20,000	112	1 %	20,000	4,976	25 %
TOTAL Public Protection	<u>\$ 154,742,580</u>	<u>\$ 28,982,153</u>	<u>19 %</u>	<u>\$ 70,289,855</u>	<u>\$ 12,578,212</u>	<u>18 %</u>
Public Ways & Facilities						
245 ROADS	\$ 45,950,922	\$ 3,955,786	9 %	\$ 41,256,104	\$ 3,770,732	9 %
247 PUBLIC FACILITIES FEES	4,588,227	0	0 %	864,500	565,578	65 %

<u>248 ROADS - IMPACT FEES</u>	<u>4,582,552</u>	<u>152,664</u>	<u>3 %</u>	<u>2,616,312</u>	<u>215,348</u>	<u>8 %</u>
TOTAL Public Ways & Facilities	\$ <u>55,121,701</u>	\$ <u>4,108,450</u>	<u>7 %</u>	\$ <u>44,736,916</u>	\$ <u>4,551,658</u>	<u>10 %</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Three Month Period Ended September 30, 2013

Budget Units by Functional Area	2013-14 Budgeted Expenditures	Amount Expended 09/30/13	%	2013-14 Budgeted Revenues	Amount Realized 09/30/13	%
Health & Sanitation						
160 PUBLIC HEALTH	\$ 23,211,817	\$ 4,208,991	18 %	\$ 19,379,312	\$ 1,914,234	10 %
166 BEHAVIORAL HEALTH	<u>51,153,434</u>	<u>8,796,256</u>	17 %	<u>44,428,292</u>	<u>4,856,650</u>	11 %
TOTAL Health & Sanitation	<u>\$ 74,365,251</u>	<u>\$ 13,005,247</u>	17 %	<u>\$ 63,807,604</u>	<u>\$ 6,770,884</u>	11 %
Public Assistance						
106 CONTRIBUTIONS TO OTHER AGENCIES	\$ 1,935,788	\$ 1,575,472	81 %	\$ 394,350	\$ 360	0 %
180 SOCIAL SERVICES ADMINISTRATION	64,158,808	12,572,993	20 %	58,998,378	584,486	1 %
181 FOSTER CARE-SOCIAL SERVICES	20,850,558	5,013,304	24 %	20,291,800	3,688,662	18 %
182 CALWORKS	12,150,170	2,753,845	23 %	11,789,801	1,817,922	15 %
183 MEDICAL ASSISTANCE PROG	4,293,366	1,074,476	25 %	162,887	13,478	8 %
184 LAW ENFORCEMENT MED CARE	2,557,635	535,393	21 %	941,435	157,832	17 %
185 GENERAL ASSISTANCE	1,172,437	276,193	24 %	472,147	128,860	27 %
186 VETERANS SERVICES	487,999	91,629	19 %	65,000	10,333	16 %
350 CO MEDICAL SERVICES PROG	6,342,458	1,209,313	19 %	5,102,096	1,016,596	20 %
351 EMERGENCY MEDICAL SRVS FUND	<u>1,159,478</u>	<u>386,339</u>	33 %	<u>801,000</u>	<u>124,343</u>	16 %
TOTAL Public Assistance	<u>\$ 115,108,697</u>	<u>\$ 25,488,957</u>	22 %	<u>\$ 99,018,894</u>	<u>\$ 7,542,872</u>	8 %
Education						
215 FARM ADVISOR	\$ 479,877	\$ 90,516	19 %	\$ 4,575	\$ 484	11 %
375 DRIVING UNDER THE INFLUENCE	1,408,064	299,043	21 %	1,402,463	330,515	24 %
377 LIBRARY	<u>11,029,606</u>	<u>1,854,960</u>	17 %	<u>10,356,734</u>	<u>487,503</u>	5 %
TOTAL Education	<u>\$ 12,917,547</u>	<u>\$ 2,244,519</u>	17 %	<u>\$ 11,763,772</u>	<u>\$ 818,502</u>	7 %
Recreation & Cultural Services						
305 PARKS	\$ 9,112,561	\$ 1,870,014	21 %	\$ 8,921,371	\$ 2,377,433	27 %
TOTAL Recreation & Cultural Services	<u>\$ 9,112,561</u>	<u>\$ 1,870,014</u>	21 %	<u>\$ 8,921,371</u>	<u>\$ 2,377,433</u>	27 %
Debt Service						
277 DEBT SERVICE	\$ 2,079,022	\$ 359,431	17 %	\$ 2,079,022	\$ 359,431	17 %
392 PENSION OBLIGATION BOND DSF	<u>8,762,661</u>	<u>6,615,222</u>	75 %	<u>10,014,626</u>	<u>2,201,911</u>	22 %
TOTAL Debt Service	<u>\$ 10,841,683</u>	<u>\$ 6,974,653</u>	64 %	<u>\$ 12,093,648</u>	<u>\$ 2,561,342</u>	21 %
Financing Uses						
102 NON-DEPTL-OTHR FINCNG USE	\$ 14,951,574	\$ 5,643,325	38 %	\$ 1,631,913	\$ 429,608	26 %
TOTAL Financing Uses	<u>\$ 14,951,574</u>	<u>\$ 5,643,325</u>	38 %	<u>\$ 1,631,913</u>	<u>\$ 429,608</u>	26 %
CAPITAL PROJECTS						
200 MAINTENANCE PROJECTS	\$ 7,794,631	\$ 246,129	3 %	\$ 1,432,883	\$ 0	0 %

<u>230 CAPITAL PROJECTS FUND</u>	<u>17,670,422</u>	<u>1,336,016</u>	<u>8 %</u>	<u>12,307,359</u>	<u>2,864,619</u>	<u>23 %</u>
TOTAL CAPITAL PROJECTS	\$ <u>25,465,053</u>	\$ <u>1,582,145</u>	<u>6 %</u>	\$ <u>13,740,242</u>	\$ <u>2,864,619</u>	<u>21 %</u>

REVENUES AND EXPENDITURES BY FUNCTIONAL AREA
For the Three Month Period Ended September 30, 2013

Budget Units by Functional Area	2013-14			2013-14		
	Budgeted Expenditures	Amount Expended 09/30/13	%	Budgeted Revenues	Amount Realized 09/30/13	%
COUNTY TOTAL	<u>\$ 549,873,712</u>	<u>\$ 102,286,082</u>	<u>19 %</u>	<u>\$ 512,735,470</u>	<u>\$ 55,759,018</u>	<u>11 %</u>
GENERAL FUND TOTAL	<u>\$ 414,658,749</u>	<u>\$ 83,316,424</u>	<u>20 %</u>	<u>\$ 393,357,582</u>	<u>\$ 38,569,809</u>	<u>10 %</u>

Section 3: Position Changes

Position Allocation Changes Made By The Board of Supervisors:

During the First Quarter, July 1, 2013 through September 30, 2013, the following reclassification/reorganization changes were approved by the Board of Supervisors. This report also includes a list of all administrative changes approved by the Human Resources Director under the authority of the BOS, and the current vacancy statistics.

Fund Center 109-Assessor - Allocation Change Approved 7/9/13

Delete 1.00 FTE – 02203 Administrative Assistant Series
Add 1.00 FTE – 00896 Assessment Technician Series

Fund Center 166-Behavioral Health - Allocation Change Approved 7/23/13

Add 1.00 FTE – 08525 Mental Health Program Supervisor

Fund Center 377-Library - Allocation Change Approved 7/23/13

Delete 2.00 FTE – 01002 Supervising Librarian
Delete 2.00 FTE – 04000 Library Manager
Delete 0.50 FTE – 01007 Supervising Library Assistant
Add 0.50 FTE – 01013 Library Assistant

New Classifications:

01018 Library Support Services Manager - Range 3384/Salary \$5,865 - \$7,130/BU 07
Add 1.00 FTE
01019 Regional Librarian – Range 2835/Salary \$4,914 - \$5,973/BU 07
Add 3.00 FTE

Fund Center 107-Auditor-Controller - Allocation Change Approved 8/6/13

Delete 1.00 FTE – 00102 Auditor-Controller
Delete 1.00 FTE – 02005 Auditor-Analyst Series
Add 1.00 FTE – Principal Auditor-Analyst

New Classifications:

00109 Auditor-Controller-Treasurer-Tax Collector-Public Administrator – Range 7502/Salary \$13,003/BU 10
Add 1.00 FTE

Fund Center 108-Treasurer-Tax Collector-Public Administrator - Allocation Change Approved 8/6/13

Delete 1.00 FTE – 00110 Treasurer-Tax Collector-Public Administrator
Delete 1.00 FTE – 00393 Assistant Treasurer-Tax Collector-Public Administrator

Delete 1.00 FTE – 00909 Account Clerk Series
Add 1.00 FTE – 02052 Division Manager-Auditor Controller

Fund Center 166-Behavioral Health - Allocation Change Approved 8/6/13

Add 3.00 FTE – 08526 Mental Health Therapist Series

Fund Center 180-Social Services - Allocation Change Approved 8/13/13

Add 4.00 FTE – 02203 Administrative Assistant Series
Add 11.00 FTE – 01546 Employment/Resource Specialist Series
Add 5.00 FTE – 01547 Employment/Resource Specialist IV
Add 2.00 FTE – 01550 Employment/Services Supervisor
Add 1.00 FTE – 01555 Social Services Program Review Specialist
Add 1.00 FTE – 08906 Department Automation Specialist Series

Fund Center 166-Behavioral Health - Allocation Change Approved 9/10/13

Add 1.00 FTE – 08526 Mental Health Therapist Series

Fund Center 166-Behavioral Health - Allocation Change Approved 9/17/13

Delete 0.50 FTE – 08623 Drug & Alcohol Services Specialist Series – ½ Time
Delete 1.00 FTE – 08569 Mental Health Supervising Nurse
Add 0.50 FTE – 08526 Mental Health Therapist Series – ½ Time
Add 2.00 FTE – 08525 Mental Health Program Supervisor
Add 1.00 FTE – 00458 Mental Health Nurse Practitioner

Fund Center 132-District Attorney - Allocation Change Approved 9/24/13

Delete 1.00 FTE – 02232 Supervising Legal Clerk II
Add 1.00 FTE – 02238 Paralegal

Fund Center 160-Public Health - Allocation Change Approved 9/24/13

Add 0.75 FTE – Mapping/Graphics System Specialist II Series – ¾ Time

Administrative changes made by the Human Resources Department:

None to report this quarter.

Employee vacancy rate

The County employee vacancy rate as of 9/30/2013 is 6.199%. This equates to 153.50 vacant positions.

Section 4: Miscellaneous Financial Issues

Acceptance of Donated Gift Funds:

Donations made by individuals and community organizations are accepted by the County and appropriated into the proper departmental budgets on an as needed basis. These donations are used to enhance programs and meet special needs throughout the county. It is recommended that the Board accept donations totaling \$49,465.06 on behalf of Animal Services, the Library and Social Services. The specific recommended Board actions are as follows:

- Accept cash donations in the amount of \$7,698.60 from the Animal Services Gift Trust Fund (FC 137);
- Accept cash donations and approve a budget adjustment in the amount of \$41,064.46 from the Library Gift Trust Fund to the FC 377 – Library’s operating budget;
- Accept cash donations and approve a budget adjustment in the amount of \$702 from the Social Services Gift Trust Fund to the FC 180 – Department of Social Services administrative operating budget to meet special needs for children and adults;

Memos from each of the requesting department are included in Attachment 2.

Relief from Accountability:

Requests for relief from accountability are presented to the Board in accordance with Government Code requirements. The action relieves the requesting department from active pursuit of receivables, but does not release the responsible parties from the debt owed. Requests to discharge bad debt are only submitted to the Board for action after an extensive investigation has taken place and the department has reached the conclusion that the debt will not be collected. If a department’s collection efforts are unsuccessful, cases are often turned over to the County’s contract collection agency. The following requests for relief from accountability have been submitted for Board consideration:

- Approve a request for relief from accountability from the Department of Public Works in the amount of \$6,517.96 for Engineering Checking and Inspection Agreement charges;
- Approve a request for relief from accountability from the Department of Social Services in the amount of \$27,899.81 for the General Assistance Program;

Memos from the departments are included in Attachment 2.

Miscellaneous Budget Adjustments:

In addition to the items listed above, the Board is asked to approve the following budget adjustments:

- Approve a budget adjustment in the amount of \$21,000 from General Fund contingencies to the FC 111 – County Counsel’s operating budget to pay for outside legal counsel to represent the County in litigation matters as approved previously by

your Board in Closed Session;

- Approve a budget adjustment in the amount of \$1,700 from the Public Education and Government (PEG) trust fund to FC 275 – Organizational Development to cover the cost of equipment for enhancement of the countywide Government Channel 21; and
- Approve a budget adjustment in the amount of \$30,000 to move funds from the Library's trust fund to the Atascadero Library Expansion Project budget. This action adds Library Impact Fees from the City of Atascadero to the expansion project on behalf of the Friends of the Atascadero Library. The transfer of these funds was authorized by the Atascadero City Council on February 12, 2013 and the funds were received by the County Library in October.
- Approve a budget adjustment to increase revenue and appropriations for FC 290 – Community Development, in the amount of \$109,131, to reflect actual allocations from the U.S. Housing and Urban Development department. This is a net increase due to a higher allocation of Community Development Block Grant funds which will be allocated to cities and community based organizations for funding additional projects that support community needs.

Memos from each of the requesting departments are included in Attachment 2.

Surplus Vehicles:

Requests to declare County vehicles surplus and authorize their disposal are presented to the Board for consideration. County Code Section 2.36.030(5) provides the authority to sell, destroy or otherwise dispose of any personal property belonging to the County and found by the Board of Supervisors not to be required for public use. The General Services Agency requests that the Board declare 56 vehicles surplus and authorize their disposal. A memo from the General Services Agency is included in Attachment 2.

**Section 5: Capital and Maintenance Projects Managed by the
General Services Agency and Public Works Department**

The first quarter status reports on capital and maintenance projects can be found in Attachment 3. This information is provided to keep the Board apprised of the status of various capital and maintenance projects managed by the General Services Agency and the Public Works Department.